



MAERKI BAUMANN & CO. AG

PRIVATBANK

# Journal

Indirect real estate –  
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of ownership

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## Dear Reader

Real estate stands for security and stability – values that are more sought after today than ever before. This is reflected in our daily work in the real estate segment. In this edition, we would like to focus on real estate as an asset class.

Indirect real estate investments in the form of funds are growing in popularity. They allow for broadly diversified investments in Swiss real estate, are attractive from a tax perspective and offer regular distributions as well as value appreciation. Especially in times of uncertainty, they provide a stabilising element in asset planning.

With the launch of two real estate funds of funds, we are expanding our offering and giving our clients new access to this form of investment. We invite you to learn more about indirect real estate investments and our solutions in this issue.

I wish you an insightful read.

Best regards



Dr Stephan A. Zwahlen  
CEO Maerki Baumann & Co. AG



## Personal. Committed.

Our client advisors demonstrate passion and expertise each and every day in serving the needs of our clients. They do so both through personal interaction and via digital channels. Our clients' interests are always at the heart of everything we do.

Collaboration is characterised by individuality, flexibility and a spirit of partnership. Our commitment is reflected in tailored solutions and the dedication we bring to our work.

# Participation instead of ownership

Real estate funds allow investors to participate in the lucrative Swiss market without having to take the plunge and become owners themselves.

**Viewed over the long term, real estate funds offer attractive returns with a moderate level of risk. Thanks to low interest rates and high immigration, this is likely to remain the case for the time being.**

For many people, owning a property is a key element of their life vision – a symbol of security and personal independence. However, limited supply, high prices and stringent financing criteria make purchasing real estate a significant challenge.

Indirect real estate investments offer an attractive alternative to buying a home: they make it possible to participate in the potential of the real estate market without having to directly acquire a property. Indirect investment forms include real estate funds, which in turn invest in a broad range of properties. They provide investors with

convenient access to a market that would otherwise be difficult for many to reach.

Real estate has always been regarded as a crisis-resistant asset class. Especially in economically and geopolitically uncertain times, the Swiss real estate market offers excellent conditions: low interest rates, high legal security, reliable property protection and solid construction quality make it a preferred location for long-term property investments.

Few markets in Switzerland have performed as steadily over the past two decades as the real estate market. The residential property sector, in particular, has experienced near continuous price growth. Following a brief consolidation in 2023 and 2024, prices in 2025 are stable to rising again, with this being especially true in urban locations with good infrastructure. Driven



by immigration, rising expectations in terms of housing and living standards and historically low mortgage interest rates, demand and upward price trends are likely to continue.

Real estate funds make it possible to invest in professionally managed portfolios with a relatively modest amount of capital – broadly diversified across regions, property types and uses. In contrast to direct property ownership, they can be traded daily on the stock exchange and are thus much more liquid. Instead of investing in a single property, the risk is spread across numerous properties, reducing cluster risks and enhancing portfolio stability. Thanks to regular distributions, many funds generate continuous returns.

## “Swiss real estate funds have a very attractive risk-return profile”.

Rolf Frey, Head Indirect Real Estate Investments at Maerki Baumann & Co. AG

The funds are managed by specialised teams with long-standing experience in analysis and portfolio management. Rolf Frey, Head Indirect Real Estate Investments at Maerki Baumann, is one of the pioneers in this area. He and his team are the driving force behind the launch of the private bank’s two real estate funds of funds (see pages 5-7). Rolf Frey has made a name for himself across the industry with his in-depth analyses.

Based on his studies, Rolf Frey concludes that “Swiss real estate funds stand out for their very attractive risk-return profile”. An evaluation of the period between 1990 and 2024 reveals that



Swiss real estate funds achieved an average annual return of 6% with a risk of 8%. In comparison, Swiss equities posted a return of 8% but with a considerably higher risk of 15%.

Swiss real estate funds also impressed during the shorter period of 2018 to 2024, with a 4% return and volatility of 9%. During the same time, Swiss equities generated a return of 5.5% with a risk of 13%. Foreign-listed real estate investments performed comparatively worse in Swiss-franc terms during both time frames, posting lower returns and experiencing greater volatility.

The long-term performance of real estate funds is also worthy of note – although, as is usual with all exchange-traded funds, prices are sometimes subject to considerable fluctuations. Measured by the SXI Real Estate® Funds Broad TR Index, the value of Swiss real estate funds has more than quadrupled over the past 25 years. Last year was one of the strongest ever recorded, and this positive trend is continuing in 2025. While real estate markets abroad have come under severe pressure in some instances, the Swiss market has once again proven itself to be a safe haven for real estate investments.

## “Attractive entry opportunities”

Rolf Frey on the new generation of real estate funds and the value of real estate investments in uncertain times.

**Mr Frey, you have designed and launched two real estate funds of funds. Why now?** Rolf Frey: These funds are a direct response to the growing demand for indirect real estate investments, which have established themselves as an attractive addition to portfolios. With them, we are leveraging the structure of a new and innovative fund type. These are Swiss real estate funds of funds set up in the form of a Limited Qualified Investor Fund (L-QIF). They allow for a broad investment spectrum and are geared towards qualified investors such as institutional investors or wealthy private clients.

**What benefits do the new funds offer?** Frey: Thanks to regular distributions, they offer a source of steady and predictable returns. The high income- and wealth-tax-exempt portion for clients resident in Switzerland is also particularly worthy of note. In one fund, it exceeds 70% – a unique figure on the Swiss market. In addition, the funds focus heavily on residential property, meaning they are less susceptible to fluctuations than investment products that focus on commercial properties.

**What do you believe makes real estate funds appealing in general?** Frey: They offer a very favourable risk-return profile. Historically, real estate funds have delivered above-average returns with moderate volatility. A further success factor is their low correlation with equities. At the end of 2024, for example, when the Swiss equity market showed signs of weakness, real estate funds were able to significantly cushion the declines in mixed portfolios. This shows that real estate funds are outstanding tools for portfolio diversification.

**What proportion of real estate would you recommend?** Frey: Depending on an investor’s risk profile and investment objectives, a share of between 25% and 40% has proven effective.

**Real estate funds are currently considered highly valued. Is it still worth entering this segment?** Frey: Indeed, the premiums on Swiss real estate funds, i.e. the charges above the net asset value, have risen sharply from their 2023 low and currently stand at approximately 30%. I expect that we will see slight corrections with upcoming new

issues and capital increases. This will open up attractive entry opportunities.

**How do you assess the future of the Swiss real estate market?** Frey: As long as immigration stays at a high level, a broad-based real estate crisis is unlikely to materialise. However, further developments will depend greatly on external factors, such as the economic impact of US tariffs and the potential return of negative interest rates in Switzerland. Forecasting therefore remains challenging. Nevertheless, especially in uncertain times, tangible assets such as real estate find themselves in high demand, suggesting that prices will continue to rise.

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Rolf Frey  
Head Indirect Real  
Estate Investments  
at Maerki Baumann  
& Co. AG



# Invest indirectly – benefit directly

Two new real estate funds of funds provide access to the Swiss real estate market – professionally managed and tax-efficient.

**The private bank Maerki Baumann is expanding its service offering in the real estate segment and launching two new funds that offer investors an attractive and broadly diversified investment opportunity.**

The funds are fund-of-funds structures: the MBC Immo Swiss – Indirect Focus L-QIF and MBC Immo Swiss – Indirect Broad L-QIF.

The abbreviation L-QIF stands for Limited Qualified Investor Fund – a regulatory simplified fund structure that has been authorised in Switzerland since 2024. It is exclusively aimed at qualified investors such as institutional investors or wealthy private individuals receiving professional advice. The funds are only accessible to investors domiciled in Switzerland.

Both funds invest indirectly in Swiss real estate investments, specifically in real estate funds and listed real estate joint-stock companies. Focus is placed on broad diversification across securities, geography and different property types comprising residential and commercial real estate. They thus offer access to a professionally managed portfolio.

One success factor is the tax advantage for qualified private investors domiciled in Switzerland. The portion exempt from income and wealth tax is over 70%. The reason for this is that the funds directly own the real estate, meaning that property income is taxed at the fund level, thus leaving distributions to investors tax-privileged or completely tax-free.

Investments in indirect real estate can also be made as part of the modular investment solution. Here, an investor's personal investment strategy is flexibly mapped using various building blocks referred to as strategy and focus modules. The "Real Estate" focus module invests in a broad portfolio of indirect Swiss real estate investments via the MBC Immo Swiss – Indirect Focus L-QIF with the goal of combining long-term stability, earnings power and tax efficiency.

## **Real estate services at a glance**

### **Indirect real estate investment opportunities**

- **MBC Immo Swiss – Indirect Focus L-QIF – primarily suitable for qualified private clients domiciled in Switzerland**  
Portfolio: 33 securities  
Property types: 52% residential and 48% commercial real estate  
Income- and wealth-tax-exempt portion: 77%  
Dividend yield: 2.3% as at October 2025
- **MBC Immo Swiss – Indirect Broad L-QIF – primarily suitable for qualified institutional investors domiciled in Switzerland**  
Portfolio: 52 securities  
Property types: 63% residential and 37% commercial real estate  
Dividend yield: 2.6% as at October 2025
- **Real Estate focus module as part of the modular investment solution:** investment in the MBC Immo Swiss – Indirect Focus L-QIF for qualified clients domiciled in Switzerland

### **Comprehensive real estate advice**

- Advice and support for the purchase, construction and sale of properties
- Preparation of documentation
- Coordination of buyers and sellers
- Development and processing of financing solutions
- Mortgage model advice and execution

Take advantage of our real estate expertise. We look forward to hearing from you.

# Violin virtuoso Janine Jansen performs Bruch's Violin Concerto No. 1

On **Wednesday, 11 March 2026**, experience the world-class Tonhalle Orchestra Zurich conducted by Music Director Paavo Järvi performing works by Adès, Bruch and Bartholdy. The concert is supported by Maerki Baumann, project partner of the Tonhalle Orchestra Zurich.



“Indirect real estate investments combine the stability of the Swiss real estate market with the flexibility of the capital markets – a combination that is convincing in the long term. Against this backdrop, we are offering two real estate funds of funds”.

**Marc Wyss**  
Deputy Head Indirect Real Estate Investments  
Maerki Baumann & Co. AG



“Indirect real estate investments such as real estate funds offer attractive return opportunities, especially in times of economic uncertainty. We use our expertise to help our clients find the right solutions for their investment strategy”.

**Patrick Bürgi**  
Senior Project Manager Indirect Real Estate Investments  
Maerki Baumann & Co. AG

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